



MODEL PLAN INTERNAL AGENCY BUSINESS SYSTEM

Department of Financial Services
Division of Accounting and Auditing
Bureau of Auditing

ACRONYMS & DEFINITIONS

Agency Internal Business System

Any technology platform, application, or database whether hosted on premises or in the cloud that is owned, managed, or operated by the agency to perform its internal business activities. These systems support functions such as case management, financial processing, reporting, workflow automation, and data management. Access is restricted to authorized agency staff, and the system operates within the agency's internal IT controls, security standards, and governance framework.

Access Control Custodian

An individual responsible for assigning Accounts Payable system permissions. This individual must remain independent from AP functions.

Batch File

A file containing transactions for submission to the State's Accounting System.

Batch Control Totals

A comparison of record counts and control totals before and after processing both files.

Change Management

Documented process ensuring system code changes are approved in writing and controlled appropriately.

MFT Server

Secure file-transfer environment used to upload batch files for processing in the accounting system.

Independent Reconciliation

A post-processing review ensuring the accounting system processed batch transactions accurately and completely.

Intrusion Detection System (IDS)

Tool used to monitor network traffic for suspicious or unauthorized activities

Manual Process

A staff-handled process where data is manually touched by either the Program Office or Accounting Office. Not preferred due to inherent internal control deficiencies.

Separation of Duties (SOD)

Internal control preventative requiring different individuals to perform creation, approval, authorization, and recording activities.

Single Payee

Entities that do not provide goods or services to the State and are not required to be recorded in the State of Florida Supplier File.

Statements on Standards for Attestation Engagement (SSAE) 18 Audit

A standardized, independent audit performed by Certified Public Accountants under AICPA guidelines to assess whether a service provider, such as a cloud host or contractor, has effective internal controls related to security, data integrity, and system operations.

Systematic Process

An IT-driven batch-file creation process with no human intervention. Preferred due to stronger internal controls.

PURPOSE

Agencies using internal business systems to originate, route, or approve transactions prior to submission to the State's Accounting System must maintain a documented plan demonstrating that appropriate internal controls are designed, implemented, and operating effectively.

For each internal business system that creates payment batch files to interface with the accounting system, please complete the Model Plan below by providing a clear, accurate description of the internal business system as it operates today.

SECTION 2 — SYSTEM OVERVIEW

Agencies must provide a clear, accurate description of the internal business system as it operates today to originate, route, or approve transactions prior to submission to the State's Accounting System.

SYSTEM INFORMATION

System Name:

Acronym:

Business Owner:

Name:

Title:

Division/Office:

Operational Location:

Name:

Title:

Division/Office:

System Owner:

Name:

Title:

Division/Office:

SECTION 3 – BATCH FILE PROCESSING

For the following, please provide procedural narrative regarding the system:

1. Is the batch file created by a systematic process or a manual process?

Select from the following

- ☐ Systematic Process
- ☐ Manual Process

Note: A systematic process is IT driven and the creation of the file is driven from the business system in a controlled environment with no human intervention to the data. This is the preferred method.

If it is a systematic process, is the file produced with properly approved payments with batch control totals and loaded to the MFT server for processing?

Describe how the system generates the batch file, ensures all payments have received proper program and accounting approvals, produces and validates batch control totals, and transmits the completed file to the MFT server for processing.

Note: Properly approved means that each payment must be approved by the program and the accounting office prior to loading to the MFT Server.

2. After the file is processed in the accounting system, is there an independent reconciliation and error resolution process to account for all data and payments?

Describe the independent reconciliation and error-resolution process performed after the accounting system completes processing of the batch file, including how all data and payments are verified, how discrepancies are identified, and how errors are resolved.



3. If the batch file is created by a manual process, is it performed by personnel in the Accounting Office or Program Office?

Select from the following:

- ☐ Program Area
☐ Accounting Office

Note: This is not the preferred method for producing batch files. There are internal control deficiencies regardless which office produces the files.

4. Does the functionality of your agency business system reside within a program area or within the accounting office?

Select from the following:

- ☐ Program Area
☐ Accounting Office

Note: The agency business system should have user roles and responsibilities to avoid SOD conflicts. Both the Accounting Office and the Program area can perform their duties in the system.

5. If functionality resides in the Program Office, does the business system have proper internal controls including workflow, separation of duties, origination of claims, certification of claims, and proper accounting approvals?

Describe how the business system's internal controls operate, including workflow steps, separation-of-duties safeguards, how claims are originated, how claims are certified, and how proper accounting approvals are applied.



6. Does your Agency use multiple business systems to create a single batch file by aggregating payment data to produce a single file?

☐ Yes

☐ No

Note: A single payment batch file can be created from multiple business systems, but should be performed from a systematic IT process and not manual. If individuals are manually creating batch files this greatly increases the risk of errors and irregularities.

7. If yes, are there proper approvals for each payment originating from the Program Office to recording and disbursement in the Accounting Office?

If multiple systems are used, describe how each payment receives proper approvals as it moves from the Program Office through recording and disbursement in the Accounting Office, including the workflow and documentation supporting those approvals.



Note: Workflow and support would need to be demonstrated.

8. Is your Internal Agency business system maintained and operated by a contractor?

☐ Yes

☐ No

9. If yes, does the contractor's employees undergo background checks and are routinely monitored?

If the business system is maintained or operated by a contractor, describe the process used to ensure contractor employees undergo background checks and are routinely monitored, including how policies and procedures define roles, responsibilities, and system-access setup to avoid separation-of-duties conflicts.



Note: This all should be covered in policies and procedures regarding roles and responsibilities and how individuals are set up in the system to avoid SOD conflicts.

10. Does a Cloud Provider host your internal business system and related data and makes it available to the agency for program operations?

☐ Yes

☐ No

11. Does the Cloud provider receive an SSAE 18 audit on internal controls and are the results provided to the agency for review and follow-up?

Describe the process your agency uses to obtain and review the Cloud Provider's SSAE 18 audit on internal controls, including how the results are evaluated and how follow-up actions are performed.

Note: Review and follow-up of these audits is a must.

12. From the audit, if internal control weaknesses are noted, has the agency assessed the risk on operations and is there a corrective action plan to bring the controls into compliance?

If internal control weaknesses are identified in the audit, describe how the agency assesses the impact on operations and develops a corrective action plan to bring the controls into compliance.

USER ACCESS CONTROLS FOR THE BUSINESS SYSTEM

1. Does your Agency maintain up to date business rules that defines user access in the context of separating the receipting, authorizing and financial recording functions?

Describe how your agency maintains up-to-date business rules that define user access, including how those rules ensure proper separation between receipting, authorizing, and financial recording functions.

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2. Are the business rules based on user roles and responsibilities with limits on the types of information users can access, and supported with up-to-date position descriptions?

Describe how your agency's business rules are based on user roles and responsibilities, including how access to different types of information is limited and how these rules are supported by up-to-date position descriptions.

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3. When changes to user access occur, do the changes include a sound basis within the context of internal control and are the changes documented and supported?

Describe how changes to user access are evaluated to ensure they have a sound internal-control basis, and explain how these changes are documented and supported within your agency's processes.

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4. For users who have inquiry access only, does the access include confidential data and is their access included in the business rules and position description?

For users who have inquiry-only access, describe whether their access includes confidential data and explain how this level of access is defined within your agency's business rules and position descriptions.

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5. Does the business system have workflow to support the separation of transaction authorization, receipt of goods and services, and recording of payment?

Describe how the business system's workflow supports the separation of duties for transaction authorization, receipt of goods and services, and the recording of payment.



TYPES OF PAYMENTS PROCESSED

- ☐ Vendor payments
- ☐ Grants
- ☐ Benefits
- ☐ Refunds
- ☐ Single Payment
- ☐ Other (Fillable Area)

If Single Payment is selected, the following constraints must apply:

- Payments cannot be 1099 reportable
- Prompt Payment must = "N"
- Payment Method Type must = "Warrant"
- Use of Single Payment Vouchers must be approved by the Bureau of Auditing in advance of using
- Cannot be entered into the accounting system via spreadsheet uploads

VALIDATION OF PAYEES FOR SINGLE PAYEE BATCH

Some payment processes are for one-time payees where there will be no need to establish a supplier record in the supplier file. These payments cannot be entered into

the accounting system as spreadsheet uploads. Any system that produces batch files for these types of payments would require strict internal controls.

Note: Examples for these types of payments include unclaimed property, refunds, and certain benefits and claims.

For single payee batch use, an answer of "Yes" to the following questions would disqualify the use of such process.

- Is the payment 1099 reportable?
- Is the payment subject to prompt payment?
- Can the payment only be made through the issuance of a warrant?

1. Has the Business System that produces the one-time payments been approved by the Division of Accounting and Auditing?

Describe your agency's process for issuing one-time payee payments when a supplier record is not established in the supplier file, including the internal controls used by the system to produce batch files for these payments. Include how the system handles payments that cannot be entered into the accounting system as spreadsheet uploads, such as unclaimed property, refunds, and certain benefits or claims, and explain how your agency determines whether the payment qualifies for the single-payee batch process.

As part of the description, address whether the payment is 1099-reportable, whether it is subject to prompt payment requirements, whether it must be issued by warrant, and whether the business system used to produce one-time payments has been approved by the Division of Accounting and Auditing.



UPDATING PAYEE INFORMATION

1. Is the ability to update payees into the agency business system maintained by those who are separate from payment creation, approvals and processing batch files?

Describe how the ability to update payees in the agency business system is restricted to individuals who are separate from those responsible for payment creation, approval, and batch-file processing.

Note: Strong controls are necessary to protect this information and keep it updated, organized and free of errors. Very few individuals should have access to update payee information. This information could pertain to one-time payees and claimants.

2. Does the process include internal controls to ensure that only valid payees with valid remittance addresses are updated in the business system?

Describe the internal controls your agency uses to ensure that only valid payees with accurate remit-to addresses are added or updated in the business system.

SYSTEM ACCESS FOR PROCESSING BATCH FILES

1. Is the system access for producing accounts payable batch files limited to only employees who need it for their assigned duties?

Describe how your agency limits system access for producing accounts payable batch files to employees who require it for their assigned duties, including the criteria used to determine who receives access and the controls in place to prevent unauthorized users from obtaining it.

2. Are there controls in place to prevent individuals who produce payment records from authorizing and processing payment batch files?

Describe the controls your agency uses to ensure individuals who create payment records cannot authorize or process batch files, including how separation of duties is enforced within the system and through agency procedures.

3. Are there controls in place to prevent the changing of data once the batch file has been created by the business system?

Describe the controls that prevent data from being altered after the batch file has been created by the business system, including any system locks, audit trails, approval requirements, or workflow restrictions that ensure data integrity.

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4. Does someone other than those involved with or responsible for accounts payable control and assign user permissions to the agency business system? The access control custodian should not be a user.

Describe how your agency ensures that user permissions for the business system are controlled and assigned by personnel who are not involved in accounts payable activities, including how the access control custodian's role is structured to avoid conflicts of interest and ensure proper separation of duties.

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Note: A best practice is to assign someone not in accounts payable or the creation of batch files to control user permissions.

5. Do staff outside of accounts payable and the program areas have limited access to the system, such as read-only?

☐ Yes

☐ No

If yes, is their access needed as part of their job duties?

Describe how your agency determines whether users require system access as part of their job duties, including the criteria used to grant access and the process for validating that access is appropriate for each role.

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6. Is confidential information secure?

Describe the controls your agency uses to ensure confidential information remains secure for users with limited or inquiry-only access, including restrictions, safeguards, and monitoring practices in place.

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7. Is there a process in place to immediately remove access to systems that produce batch files for people who transfer to other departments, change duties or terminate employment?

Describe your agency's process for immediately removing system access for employees who transfer, change job duties, or separate from the agency, including how notifications, access removal, and documentation are handled.

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8. Is there a process in place to periodically review user access for accounts payable and the creation of batch file applications, such as once per quarter?

Describe your agency's process for performing periodic reviews of user access for accounts payable and batch-file creation applications, including the review frequency, responsible roles, and the steps taken to validate, update, or remove access.

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INTERNAL CONTROLS WITHIN THE BUSINESS SYSTEM APPLICATION

1. Does each claimant within the business system have a unique assigned system generated control number to assist in preventing duplicated claimants?

Describe how the business system assigns each claimant a unique, system-generated control number and how this control prevents the creation of duplicate claimant records.



2. Is there a system produced date when the claimant became active within the system?

Describe how the business system records the date each claimant becomes active, including how this activation date is generated and used within your processes.



3. Is there a system produced date when the claimant has become inactive in the system?

Describe how the business system generates and maintains the inactivation date for claimants, including how the date is captured and how it supports your agency's record-management processes.

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4. Does the system have controls to reduce the potential for accidental over payments?

Describe the system controls in place to prevent accidental overpayments, including any maximum-payment limits, automated validation checks, or system restrictions that stop payments exceeding established thresholds.

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Note: For example, if the maximum payment that any one claimant can receive is \$10,000, does the control prevent a \$100,000 payment?

INFORMATION TECHNOLOGY CONTROLS FOR AGENCY BUSINESS SYSTEM

1. Are employees or contractors working in the Agency's Business System properly vetted and approved, including position and job descriptions?

Describe how employees and contractors who work in the agency's business system are vetted and approved, including how position descriptions, job responsibilities, and access requirements are reviewed before access is granted.



2. Does appropriate separation of duties exist within the Agency's Business System for systems development (design and programming), technical support (maintenance of systems software), and the Agency's Accounts Payable operations?

Describe how separation of duties is maintained within the agency's business system between systems development, technical support, and accounts payable operations, including how responsibilities are divided and restricted to prevent conflicts of interest.



3. Are the programmers/designers of the Agency's Business System software application separate from the testers/users of the software?

Describe how programmers and system designers are kept separate from testers and end-users of the business system, including the controls or procedures that ensure these functions do not overlap.

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4. Are there controls in place to prevent the Agency's Accounts Payable users from having access to the Agency's Business System programming and modification of the software coding?

Describe the controls that prevent accounts payable users from accessing or modifying the business system's programming or software code, including any role restrictions or technical safeguards in place.

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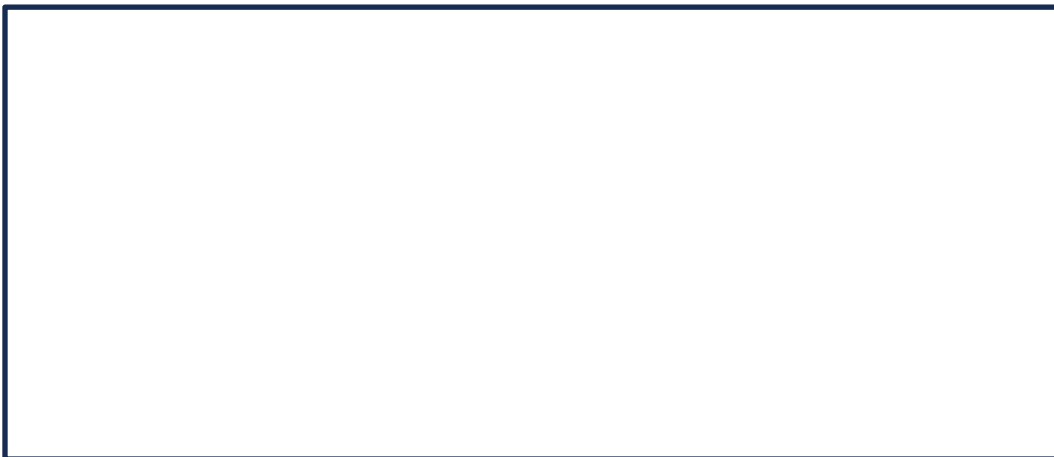
5. Is supervision sufficient to verify operators' performance in accordance with prescribed procedures?

Describe how supervision is used to verify that system operators perform their duties according to prescribed procedures, including oversight practices, monitoring methods, and review processes.



6. Is there supervision over the control function for the transmission and recording of batch input data to the accounting system, reconciling batch controls with run totals, and control over errors and error resolution?

Describe how the control function for transmitting and recording batch input data is supervised, including reconciliation of batch controls with run totals, and oversight of error detection and resolution.



7. Are only authorized programmers accessing the Agency Business System's program files?

Describe how access to the agency business system's program files is restricted to authorized programmers, including how authorization is granted, monitored, and reviewed.

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8. Are programming changes in the Agency's Business System files documented and approved in writing?

Describe how programming changes to the business system files are documented and approved in writing, including change-control procedures and the review/authorization process.

A large, empty rectangular box with a dark blue border, intended for the user to provide a detailed description of the change-control and documentation process for programming changes in the Agency's Business System files.

9. Is the Agency Business system part of the Agency's network and are intrusion detection systems in place to monitor network traffic to detect suspicious activity?

Describe how the agency business system operates within the agency's network and how intrusion detection systems are used to monitor network traffic for suspicious activity.

A large, empty rectangular box with a dark blue border, intended for the user to provide a detailed description of the agency's business system operations and intrusion detection systems.

10. Are controls in place to document and resolve Agency Business System failures, restarts, and recovery, or other unusual incidents, and are those reports reviewed by an appropriate staff?

Describe the controls your agency uses to document and resolve business system failures, restarts, recoveries, or unusual incidents, including how reports are reviewed by appropriate staff.

A large, empty rectangular box with a dark blue border, intended for the user to describe the controls used to document and resolve business system failures, restarts, recoveries, or unusual incidents, and how reports are reviewed.

11. Are there appropriate procedures in place to monitor the Agency Business System compliance with prescribed operating procedures?

Describe the procedures your agency uses to monitor the business system's compliance with prescribed operating procedures, including oversight responsibilities and review methods.

